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15 March 1984

OLL: 84-1023

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence
Executive Director

FROM: Director, Office of Legislative Liaison

SUBJECT: FY85 Intelligence Authorization Bill

1. OMB informed us this morning that they will not clear the provision in our FY85 Authorization Bill which would have eliminated a disadvantage suffered by retiring employees under CIARDS. The Omnibus Budget Reconciliation Act of 1982 provided that the cost-of-living increases (COLA) for all Federal retirees for FY 83, 84 and 85 be cut by one half for employees who retire before age 62. Since CIARDS employees must retire at age 60, this provision penalizes our CIARDS people for something over which they have no control, and it was for that reason that we sought relief from this provision. OMB tells us that, for policy reasons, the Administration will grant no exception for any retirement system including some which have mandatory retirement requirements at age 50.

2. You could appeal OMB's decision to Mr. Stockman or the President, but I recommend against it. The likelihood of gaining CIARDS exemption is minimal in the face of the strong Administration view on this subject and the actual monetary loss to be incurred by our retirees under this provision is minimal. OMB tells us that CIARDS employees caught under this law would lose an average of \$100 a year.

Clair E. George

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